

Modification Number Two to APS 674-06-002
Dated March 14, 2006

1. Following are questions submitted to southafricapepfar@state.gov.

1.1 Q: What is the total amount available to South Africa for the two year period under APS 674-06-002?

A: The President's Emergency Plan for AIDS Relief has provided over \$148 million dollars in assistance in South Africa during Fiscal Year 2005. The Emergency Plan will provide an estimated \$221 million to organizations operating in South Africa in Fiscal Year 2006. The final budget amount for South Africa in Fiscal Year 2007 has not yet been determined. The total amount committed for new projects under the APS will depend in part on the total Fiscal Year 2007 budget, and in part on the quality of the applications received.

1.2 Q: Is a consortium eligible to apply under the APS if one of the consortium partners (a sub) already has a grant directly with Pact, Inc.?

A: Yes. Any eligible applicant may have as its sub-grantee or sub-partner an organization that currently receives Emergency Plan South Africa funds through a direct agreement with Pact, Inc.

1.3 Q: When will the funding applied for under the current APS be available, in the current financial year or in 2007/2008?

A: Funding for projects approved through the APS is anticipated to be available in March/April 2007.

1.4 Q: We are an NGO at present doing three different projects. These three projects together could make up the required minimum \$500,000. Do we have to use this in one year?

A: Multiple projects can be combined into one application under the APS. Agreements will be funded for amounts of not less than \$500,000 and not more than \$2,000,000 per year.

1.5 Q: Our application will be scaling up an existing project. Can the application include building costs?

A: Construction is not the focus of the Emergency Plan. Infrastructure projects can be supported, as long as they are included and justified as components of a program that supports rapid service delivery.

1.6 Q: We have been unable to locate the South Africa Strategic Information Manual on your website.

Q: At the pre-application workshop in Durban there was mention of an M&E document containing an expanded list of indicators. I have not been able to locate this on the web.

A: The South African Strategic Information Manual is available at the South Africa Emergency Plan website. <http://pepfar.pretoria.usembassy.gov>. Go to PEPFAR@work> Policy Guidance.

1.7 Q: We have been unable to locate the South Africa Comprehensive Plan for HIV and AIDS Care.

A: The Operational Plan for Comprehensive HIV and AIDS Care, Management and Treatment for South Africa is available at the website for the South Africa National Department of Health. <http://www.doh.gov.za/docs/hivaids-progressrep.html>.

1.8 Q: Where do I find out more about other partners currently implementing programs under the Emergency Plan?

A: The South Africa Emergency Plan website includes a listing of current partners, their locations and their activities. <http://pepfar.pretoria.usembassy.gov>. Go to PEPFAR Partners.

1.9 Q: Please provide me with a format of an implementation plan and an M&E plan.

A: There is no specified format for concept papers. The elements that are required to be included in a concept paper are listed in the APS at p. 11.

1.10 Q: Is it possible to apply for funding even if we did not register for a pre-application workshop?

A: There is no requirement that applicants who wish to submit concept papers must attend one of the pre-application workshops.

1.11 Q: Will Swaziland qualify for the United States Emergency Plan for AIDS Relief in South Africa?

A: Only projects operating in South Africa are eligible to apply for funding under the South Africa APS 674-06-002.

1.12 Q: Where are questions and answers posted on the South Africa Emergency Plan website?

A: The APS, all modifications to the APS (including questions and answers from pre-application workshops) and the presentations from the pre-application workshops are available at the South Africa Emergency Plan website:
<http://pepfar.pretoria.usembassy.gov>. Go to “Notice! South Africa Annual Program Statement.”

1.13 Q: The primary organization preparing an application under the APS will be a university. Is it acceptable to involve students in interventions?

A: The design of an intervention is determined by each applicant. The Emergency Plan has no restriction on involving university students.

1.14 Q: Can a collaborator on behalf of an existing prime partner participate in an application under the APS?

A: Any eligible applicant may collaborate with or have as its sub-grantee or sub-partner an organization that currently receives Emergency Plan funds directly from the USG in South Africa.

2. Following are questions and answers from the pre-application workshop held in Pretoria on March 3, 2006.

2.1 Q: Our organization has a fundraising office in New York. Can this office apply directly to the Office of the Global AIDS Coordinator (OGAC) for funding on our behalf?

A: Your organization can apply under the APS through an office in New York. Applications under the South Africa APS must be submitted in South Africa. You may also be eligible to apply under the New Partners Initiative. For additional information about the new partners initiative, see <http://www.pepfarnpi.org>.

2.2 Q: As mentioned in one of the presentations, careful monitoring and evaluation (M&E) can be a costly exercise. Are applicants allowed to incorporate the recommended 5 % to 10 % M&E component as a line item in their budgets?

A: Organizations are encouraged to include M&E in their budgets to demonstrate their commitment to M&E and to show that they have a plan and a budget for M&E. On page 11 of the APS, there is a recommendation that M&E represent 5% to 10% of the total budget.

2.3 Q: What is the difference between a cooperative agreement and a grant?

A: Generally, under a cooperative agreement the USG is significantly involved in recipient activities, including planning, technical assistance, approval of key personnel and budgeting. Grants involve a transfer of financial resources, and there is less intensive USG involvement in recipient activities.

- 2.4 Q: Should organizations that are registered VAT vendors include VAT in their budgets?
- A: VAT should not be included in the budget submission. Generally a recipient of Emergency Plan funding registers as a VAT vendor, and files a VAT claim to be reimbursed for the “input” VAT costs incurred under the Emergency Plan activity. SARS reimburses the recipient for their “input” VAT.
- 2.5 Q: Should we plan implementation timelines based on the assumption that funds will be available from March 2007?
- A: Yes. Due to required approvals and budget cycles, the USG cannot give a precise date when funds will be available, but March or April 2007 is when it is anticipated that funds will be available. The two-year timeline for activities starts when funding becomes available.
- 2.6 Q: What constitutes a South African firm? Is it ownership, where you operate or the nationality of staff?
- A: The Office of the Global AIDS Coordinator has developed guidelines for distinguishing a local organization from an international organization. Generally a local organization is an entity whose primary place of business is in a country or region served by the Emergency Plan, and the majority of the entity’s staff is composed of host country and/or regional nationals. For purposes of applying under the APS, applicants should not be overly concerned about the classification of their organization. Both local and international organizations are eligible to apply under the APS.
- 2.7 Q: Can a new partner apply to work with an existing Emergency Plan partner?
- A: Yes. Any eligible applicant may have as its sub-grantee or sub-partner an organization that currently receives Emergency Plan South Africa funds directly from the USG in South Africa.
- 2.8 Q: The APS suggests that for-profit private entities can apply for funding provided they do not make a profit on these funds. Is this correct?
- A: For-profit entities are eligible to apply under the APS. The Emergency Plan is a service delivery program intended to maximize the effectiveness of supported programs. The Emergency Plan would expect funded projects implemented by for-profit organizations to be carried out on a not-for-profit basis.
- 2.9 Q: Where do you get the M&E manual?
- A: The South African Strategic Information Manual is available on the South Africa Emergency Plan website. <http://pepfar.pretoria.usembassy.gov> . Go to PEPFAR@work> Policy Guidance.

2.10 Q: Our organization is a large NGO. Would you prefer us to submit a single proposal or to work with a number of smaller CBOs?

A: Applicants can apply either independently or as a consortium. Applicants need to decide what they think will work best in the circumstances.

2.11 Our organization has U.S. support. Would it be better to apply as a South African organization or should our American counterpart apply?

A: If an international organization applies they are strongly encouraged to partner with a local South African organization. Applications with local partners and local experience will score additional points according to the APS evaluation criteria.

2.12 Q: Do you offer 100% funding or is it on a ratio?

A: 100% funding is possible. Every project is different; there are some projects that are co-funded or match funded. Leveraging resources is encouraged, and cost-effectiveness is included in the APS evaluation criteria.

2.13 Q: In terms of care and support the APS refers to the 'infected' and 'affected'? Who are the 'affected'? How broad is your definition of 'affected'?

A: For purposes of projects eligible for funding under the APS, the 'affected' are primarily orphans and vulnerable children (OVCs), but there may also be some opportunities for interventions targeting households with an infected individual, particularly if those interventions are supportive of care or treatment adherence. All applications will be reviewed on a case-by-case basis. The more a program is focused on HIV service delivery the more it is likely to be successful within the Emergency Plan.

2.14 Q: Will the presentations delivered today be available on the website?

A: Yes. The presentations are posted on the South Africa Emergency Plan website. <http://pepfar.pretoria.usembassy.gov>.

2.15 Q: Other than technical problems what are some of the other reasons that applications have been rejected?

A: It is easier to look at why proposals are accepted. The elements for proposals that the Emergency Plan will support are spelled out carefully in the APS evaluation criteria, including the point scores for each element. Criteria include qualities such as impact, government support and local involvement. Projects should be focused on service delivery. The USG expects to receive many strong proposals that cannot be funded because of the competitive nature of the process.

2.16 Q: We are an international organization with significant experience and a number of local partners. One of our local partner organizations has only been in existence for six months. Should they apply under us or should they submit their own application?

A: Experience and demonstration of prior success are included in the criteria for evaluation of APS proposals.

2.17 Q: We are a national faith-based organization with projects countrywide. Should these individual projects submit their own application?

A: Applications can be accepted from individual organizations or from a consortium.

2.18 Q: Do you fund capital items, like vehicles?

A: Emergency Plan funding can be used for infrastructure or equipment on a limited basis, but the primary focus of the program is on service delivery. Often equipment or infrastructure is required in order to carry out service delivery. The program has funded vehicles such as mobile clinics when those vehicles are essential to provide services to difficult to reach populations.

2.19 Q: Would PEPFAR provide funding for tuberculosis (TB) treatment or would funding be limited to information and monitoring of TB? Does the funding for wellness programs extend to all the stages of wellness programs?

A: The Emergency Plan will support TB programs focused on patients co-infected with HIV and TB. The Emergency Plan is not designed to support stand-alone TB programs. The Emergency Plan supports various wellness programs for people living with HIV and AIDS at all stages.

2.20 Q: Can you give an idea of how many concept papers will be selected to go through to the next tier and how many organizations are eventually likely to be selected as partners?

A: The USG has not identified a targeted number of new projects or partners. The number of new partners will depend upon the quality of the proposals. The USG anticipates a significant number of applications and the review process will be highly competitive.

2.21 Q: Can we apply for funding as an NGO service provider or do we need support from a government department?

A: An applicant can apply independently. Government support is recognised in the APS evaluation criteria.

2.22 Q: Do you fund programs that are dealing with HIV and drugs?

A: The USG would have to examine the project to make a determination. The focus of the Emergency Plan is on HIV service delivery. A program focusing on HIV prevention in a high risk group of intravenous drug users may be eligible. A program that focuses broadly on drug rehabilitation programs without a linkage to HIV would likely not qualify under the Emergency Plan.

2.23 Q: Do you encourage partnerships between government and NGOs?

A: Yes. Partnership with the South African Government is one of the core principles of the Emergency Plan program. Partnerships with government entities are reflected in the APS evaluation criteria.

2.24 Do you communicate with unsuccessful applicants informing them why their application was not selected?

A: After the concept paper review, the USG will write to applicants indicating whether or not they are invited to submit full proposals. After the full proposal round, the USG will write to applicants indicating why proposals are or are not selected. The USG does not have the capacity to further respond individually to all applicants.

2.25 Q: What should be on the covering letter?

A: The APS includes a sample of the required cover sheet. The cover sheet includes summary information about the application.

2.26 Q: What are the timeframes likely to be?

A: The concept paper review period depends upon the number of submissions received. The USG anticipates that it will complete the concept paper review process in approximately one month. It is expected that organizations will be invited to submit full proposals at the end of April or early May, and that full proposals will be due in the second week of June.

2.27 Q: What is USAID's strategy for incorporating a more multi-sectoral approach to address broader HIV-related issues, which are not addressed through a health program such as PEPFAR?

A: The focus of the Emergency Plan initiative is primarily to provide service delivery for HIV-infected and affected individuals. USAID has significant initiatives that operate programs addressing additional issues, such as education and democracy and governance.

2.28 Q: What will happen to individuals who are put onto treatment as a result of PEPFAR, when PEPFAR ends in 2008?

A: Although the Emergency Plan is a five-year program (2003-2008), it is understood that continued USG funding support for some partners probably will be necessary beyond 2008. Applicants are, however, required to document a sustainability strategy that will assure essential services are maintained following completion of the award term.

2.29 Q: Can you provide a copy of the attendance register for networking purposes?

A: Attendees may not have anticipated that their contact information would be circulated. Attendees who would like their contact information circulated should contact the conference organizer.

- 2.30 Q: Has any provision been made for advocacy to improve South African Government spending and the focus of the health budget? Is there specific advocacy to streamline ARV treatment within South Africa's Department of Health?

A: The Emergency Plan is a service delivery program, not an advocacy program. The USG is committed to collaborating with the South African Government at all levels, and to assist with capacity building for the South African public health system and other HIV/AIDS service delivery systems. These efforts may facilitate South African Government departments' full utilization of their HIV/AIDS budgets. The Emergency Plan also supports projects that assist in the development and dissemination of evidence-based government policies related to HIV and AIDS prevention, care and treatment.

- 2.31 Q: You mentioned that the presentations are on the website. The majority of NGOs and CBOs in the rural areas do not have internet access. How should they go about making an application? What assistance will you provide?

A: The USG is interested in assisting organizations that will provide services in rural underserved areas, and an important focus of the Emergency Plan is to assist the South Africa Government in its efforts to enhance equitable access to health care. Because the APS application and information process involves a large body of information that is regularly updated, the process assumes some access to the internet. Organizations that do not have ready access to the internet in South Africa may request copies of the APS from the U.S. Embassy. However, such organizations are encouraged to seek and obtain internet access to review additional information about the Emergency Plan and the APS as it is posted during the application solicitation process.

Applicants without access to the internet may face challenges if they are to become Emergency Plan partners. The USG is in regular communication with Emergency Plan partners, and reporting is primarily completed through a web-based system.

Organizations without access to the internet may be interested in the Small Grants Program, which is intended for small rural organizations. Information about the Small Grants Program is available on the South Africa Emergency Plan website, <http://pepfar.pretoria.usembassy.gov>, or from the U.S. Embassy (in Pretoria) or from each Consulate (in Johannesburg, Durban and Cape Town).

- 2.32 Q: Our organization coordinates a variety of youth development initiatives in the areas of both prevention and care. Can we apply under different program areas?

A: Yes. The USG will accept concept papers from organizations operating in multiple program areas. Comprehensive and complementary programming is encouraged.

2.33 Q: In terms of M&E, will there be an opportunity for us to obtain assistance from the USG in the development of an M&E plan?

A: To assure a fair and equitable competitive process, individual applicants cannot be assisted with the development of applications being submitted in response to the APS. Once an organization becomes a partner supported by the Emergency Plan, there are multiple opportunities for technical assistance, such as individual technical assistance, M&E trainings and workshops, and support from other Emergency Plan partners. The USG also sponsors meetings among partners to provide opportunities to share tools and best practices.

2.34 Q: One of the PowerPoint slides showed that 55 percent of programs focused on ARV treatment last year. Will the ratio be the same for the applications under the APS?

A: The USG will make funding decisions for proposals submitted under the APS based on the quality of submissions. There are no predetermined amounts committed to new proposals in any particular area. The ratios of funding for the entire program combining new programs and existing programs will include an estimated 55% committed to effective treatment programs.

2.35 Q: What does 'safe and effective drugs' mean?

A: The Emergency Plan will support the purchase of drugs that are determined to be 'safe and effective' by the South African Medicines Control Council and the U.S. Food and Drug Administration.

2.36 Q: Is there any scope for organizations that inform government through research?

A: There is limited funding available for targeted evaluations of services, such as operations research into the effectiveness of treatment or care programs. Review the APS for more detailed guidance. Generally the targeted evaluations funded through the Emergency Plan must be designed to improve service delivery and often are associated with a service delivery program.

2.37 Q: In terms of time frames, if there is funding until 2008 can the activities run until December 2008 or beyond that?

A: The USG fiscal year runs from October to September each year. Although the fiscal year begins in October, Emergency Plan funds are generally not available immediately. Based on prior experience, the USG anticipates that funds for new projects selected through the APS will be available in March/April 2007. The fiscal year will end in September, and that is the deadline for entering into agreements to obligate the funds. According to USG procedures, projects and funding are approved annually. Successful applicants under the APS will have two years to implement their programs starting when they enter into agreements to receive funding.

2.38 Q: What is the difference between APS and OGAC?

A: The Annual Program Statement (APS) is a solicitation for proposals from potential new partners. South Africa currently is accepting proposals under APS No. 674-06-002. OGAC is the 'Office of the Global AIDS Coordinator'. OGAC supervises the Emergency Plan worldwide, determines country-funding levels and establishes policies and guidelines. Organizations that are interested in applying to OGAC under a multi-country APS (such as the anticipated new partners initiative) should send their proposals directly to Washington. For additional information about the new partners initiative, see <http://www.pepfarnpi.org>.

2.39 Q: Should we apply under the APS or should we wait for the New Partners Initiative?

A: That is up to each organization. If you are operating in South Africa you may be eligible to apply for both programs. It is anticipated, however, that once an organization has received substantial PEPFAR funding it will not be eligible to compete for New Partners Initiative funding. Additional information about the New Partners Initiative should be announced soon. For information about the new partners initiative, see <http://www.pepfarnpi.org>.

2.40 Q: Do you only work with patented medicine or do you recognise alternative treatments? We have an alternative treatment, which has reversed AIDS from stage 4 to stage 1.

A: Emergency Plan funds can only be used to purchase drugs determined to be 'safe and effective' through the scientific review and approval processes undertaken by the South African Medicines Control Council and the U.S. Food and Drug Administration. All drugs purchased with Emergency Plan funds also must be registered by the South African Medicines Control Council for use in South Africa.

2.41 Q: Considering the technical nature of APS proposals, should organizations make use of professional proposal writers who may want to charge a percentage of the funding if the proposal is successful?

A: Applicants may hire any consultants they would like. The USG will not pay or reimburse for any costs incurred in the preparation of proposals.

2.42 Q: Due to fluctuations in the exchange rate should we submit our budgets in Rand?

A: Emergency Plan awards are administered in U.S. dollars. The dollar/rand exchange rate may fluctuate to the benefit or the detriment of grantees. There are no supplementary funds available to make up for any shortfalls due to exchange rate fluctuations. For purposes of submitting applications, an exchange rate of R6 to \$1 should be used.

2.43 Q: Does PEPFAR fund construction?

A: Construction is not the focus of the Emergency Plan. Infrastructure projects can be supported, as long as they are included and justified as components of a program that supports rapid service delivery.

2.44 Q: We are operating in three provinces. Should I apply for them together or separately?

A: Whether to submit one application or multiple applications is a decision to be made by each applicant.

2.45 Q: The APS suggests that relevant experience is an important criterion for funding. Is there any provision to fund start-up organizations who are able to demonstrate their potential? Existing organizations cannot cope with the demand for HIV/AIDS services - is there space for new entrants?

A: New organizations are eligible to apply under the APS. Organizations that can demonstrate their potential for service delivery and their ability to scale up quickly also are eligible to apply. Please note that the APS evaluation criteria give consideration to organizations' experience and demonstrated ability to deliver high-quality, cost-effective HIV/AIDS services.

2.46 Q: You mentioned that the U.S. has a long-term commitment to change in South Africa. In terms of ARV treatment do you think that long-term sustainability will be developed through capacity building? Do you think the South African Government will take over?

A: Every application should include a well articulated sustainability strategy. This is an important component of the APS evaluation criteria. In many cases sustainability derives from a strong partnership with government but this is not the only option that can lead to long-term program sustainability.

3. Following are questions and answers from the pre-application workshop held in Cape Town on March 7, 2006.

3.1 Q: The annual program statement suggests that government support is an important evaluation criterion. Does this refer to national or provincial government support?

A: It refers to all forms of government support – provincial, national, local, district as well as support from different government departments such as the Department of Social Development, the Department of Education, the Department of Health and others.

3.2 Do organizations need to choose whether to apply under the New Partners Initiative or the APS?

A: No, eligible organizations may apply under both programs (also see question 2.39).

3.3 Q: What is the value of small grants awarded through the USG Small Grants Program?

- A: Small grants are typically between US \$ 5,000 and US \$ 10,000 per year.
- 3.4 Q: Can an organization submit more than one application for the APS?
- A: Yes, organizations may submit multiple applications.
- 3.5 Q: Our organization applied for a small grant in January 2006 but we have not received a response yet.
- A: The deadline for submissions for the USG HIV/AIDS Small Grants Program is March 31, 2006. After the review process organizations will be notified whether or not their applications were successful. Each consulate has its own review process so your notification will depend upon the timeframes established by the Cape Town Consulate.
- 3.6 Q: Our organization conducts life skills training from Grade R through to high school. How should we go about demonstrating the efficacy of this program in terms of behaviour change in order to satisfy the monitoring and evaluation (M&E) criteria in the APS?
- A: The USG in South Africa will evaluate progress by monitoring selected indicators and assessing these in relation to targets and the overall objectives of the program. These indicators are provided in the APS, and Emergency Plan partners must report on these indicators regularly. Partners need to show that they have an M&E plan that can collect information regarding these output indicators. In addition, organizations should be measuring the outcomes of their activities to inform program planning and design. The USG does not expect every organization to use expensive complicated tools to measure their impact, but each organization must have an M&E plan appropriate to the size of their program. Please see the South African Strategic Information Manual available on the South Africa Emergency Plan website. <http://pepfar.pretoria.usembassy.gov>. Go to PEPFAR@work> Policy Guidance.
- 3.7 Q: How does the exchange rate effect planning and funding levels?
- A: See Modification Number One to APS 674-06-002, 7.11
- PEPFAR grants are administered in U.S. dollars. The dollar/rand exchange rate may fluctuate to the benefit or the detriment of grantees. There are no supplementary funds available to make up for any shortfalls due to exchange rate fluctuations. For purposes of submitting applications, an exchange rate of R6 to \$1 should be used.
- 3.8 Q: Our program cuts across a number of program areas like care, prevention, policy, PMTCT and stigma. Which program area should we apply under?
- A: The submission of comprehensive crosscutting program applications is encouraged. Identify the appropriate program areas and indicate these on the cover page of your submission. M&E can be slightly more complicated with crosscutting

programs because a range of indicators may be relevant and organizations will need to determine which are most appropriate for them to track.

3.9 Q: Will there be different review panels for the different program areas?

A: There will be a series of review panels based on the number of applications received. It is not likely that there will be different review panels for the different program areas.

3.10 Q: Do you accept proposals from a consortium?

A: Yes

3.11 Q: Are there any provinces in which you are particularly interested?

A: The Emergency Plan is interested in providing services in all provinces. There is an emphasis to provide services to under-served areas, but these are found throughout South Africa – in all provinces as well as urban and rural areas.

3.12 Q: What happens to partner organizations that do not meet their targets by the end of the first year?

A: There is a reason why successful applicants are called partners. The USG is committed to working closely with its partners – from setting targets and reviewing M&E plans to technical assistance, including assistance related to data quality and capacity building. The USG wants its partners to succeed. The USG will evaluate the organization's performance and measure this against its targets, and will provide additional assistance as necessary. Yearly funding decisions are based on performance and other factors that contribute to the overall success of the Emergency Plan in South Africa.

3.13 Q: How do you pay over the money? Do you provide an advance or are funds transferred at regular intervals?

A: Successful APS applicants will have their programs administered through HHS/CDC or USAID, depending on the nature of the project. These agencies may have slightly different funding procedures. For example, USAID generally provides a one-month advance, and then continues to disburse funds as they are used by the recipient. However, these procedures are negotiated on a case-by-case basis depending on the nature of the program.

3.14 Q: When will the deadline for full proposals be?

A: See Modification Number One to APS 674-06-002, 7.1

The concept paper review period depends upon the number of submissions received. The USG anticipates that it will complete the concept paper review process in approximately one month. It is expected that organizations will be invited to submit

full proposals at the end of April or early May, and that full proposals will be due in the second week of June.

3.15 Q: When does the funding year start?

A: See Modification Number One to APS 674-06-002, 7.10

The USG fiscal year runs from October to September each year. Although the fiscal year begins in October, Emergency Plan funds are generally not available immediately. Based on prior experience, the USG anticipates that funds for new projects selected through the APS will be available in March/April 2007. The fiscal year will end in September, and that is the deadline for entering into agreements to obligate the funds. Implementing organizations will have two years to implement their programs starting when they enter into agreements to receive funding.

3.16 What is a purchase order?

A: Purchase orders are suited to short-term projects or purchases with a clear start and end point. For instance a purchase order may be used to pay an organization contracted to conduct a research report. There may be little USG involvement and amounts are usually below \$ 250,000. For purposes of this APS, any organization that has received Emergency Plan funds from the USG South Africa through a purchase order in an amount of less than \$250,000 per annum, rather than through a grant or cooperative agreement, is not considered to have been a prime partner and is eligible to submit a concept paper under this APS.

3.17 Q: It was suggested that successful applicants would be required to engage in significant documentation and paperwork between August 2006 and April 2007 when the funds become available. Who will be covering the costs of this administrative work?

A: During the period from August to April, the USG in South Africa must provide significant documentation to obtain project approval from Washington. The applicant will be required to develop work plans, targets and budgets, and there will be ongoing dialogue between the USG and Emergency Plan partners to develop these documents. Activities will not actually commence until the funding is available. There is no funding to cover cost of application or the cost for preparing documents prior to award.

Also see Modification Number One to APS 674-06-002, 7.13.

The USG prefers grantee organizations not to commit USG funds before they receive funding. In some circumstances, the USG can allow an organization to commence activities before the date an agreement is signed, but ideally by less than a month or two. If, from a technical point of view, it is essential that the program is not delayed, reimbursement for expenses incurred prior to award would be determined on a case by case basis.

3.18 Q: Can you clarify the review process?

A: The review of concept papers, based on the guidelines and criteria included in the APS, is the first competitive stage in the application and review process. Following the concept paper review, applicants that have submitted responsive and highly meritorious concept papers will be invited to submit a full proposal. All the full proposals received will then undergo a thorough competitive review, again taking into account the guidelines and criteria established in the APS or other communications with applicants. The full applications that are most meritorious and responsive to the needs of the Emergency Plan in South Africa will be selected for possible funding, and the organizations submitting these successful applications will, together with the USG, develop a plan and budget, which is then submitted to Washington for final approval.

3.19 Q: How competitive is the process? For instance, how many new organizations do you hope to identify? Would it be correct to assume that you have \$ 200 million for two years?

A: The APS is a very competitive process. The number of new awards and partners will depend on the budget available in Fiscal Year 2007 and the quality of the applications received. The USG has approximately \$ 221 million available for the U.S. Fiscal Year 2006. These funds have already been committed to Emergency Plan partners. The USG anticipates an increase in funding available for Fiscal Year 2007 and if this is the case the USG hopes that a considerable number of new partners will be able to receive support in 2007.

3.20 Q: Who do successful applicants enter into an agreement with: USAID, CDC or the US Embassy? Is the South African Government involved in the agreement?

A: It depends on the nature of the project and whether it would be most appropriately supported by USAID South Africa or HHS/CDC South Africa. The USG will determine the most appropriate administering agency based on a number of factors. The South African Government is involved in the proposal review process. Partners are strongly encouraged to work with government counterparts to maximize the success of their program. For instance, all treatment partners obtain approval from the relevant health structure in the provinces where they provide services.